

**CITY OF ANOKA  
HOUSING AND REDEVELOPMENT AUTHORITY  
MEETING MINUTES JULY 13, 2015**

**Call to Order:** Chair Carl Youngquist called the meeting to order at 5:02 p.m.

**Roll Call:** Commissioners present were: Chair Carl Youngquist, Dave Bonthuis, Lori Manzoline, Colleen Werdien. Absent: Commissioner Lynn Hopkins. Staff present were: Housing Manager Darin Berger.

**Approval of the Agenda:** MOTION BY COMMISSIONER BONTHUIS, SECONDED BY COMMISSIONER MANZOLINE, TO APPROVE THE AGENDA AS PRESENTED.

UPON A VOICE VOTE, MOTION CARRIED.

**Approval of Minutes:**

**June 8, 2015, Regular Meeting:** MOTION BY COMMISSIONER BONTHUIS, SECONDED BY COMMISSIONER WERDIEN, TO APPROVE THE JUNE 8, 2015, REGULAR MEETING MINUTES AS PRESENTED.

Chair Youngquist noted the June 22 worksession with Urban Land Institute (ULI) was a very good meeting with an excellent moderator who led a discussion on the importance of Main Street.

UPON A VOICE VOTE, MOTION CARRIED.

Chair Youngquist recapped the reason for the special meeting regarding Walker Methodist Plaza.

**June 15, 2015, Special Meeting:** MOTION BY COMMISSIONER MANZOLINE, SECONDED BY COMMISSIONER BONTHUIS, TO APPROVE THE JUNE 15, 2015, SPECIAL MEETING MINUTES AS PRESENTED.

UPON A VOICE VOTE, MOTION CARRIED.

Commissioner Bonthuis asked how the ULI was scheduled. Housing Manager Darin Berger said ULI approached the City first and met with staff that portrayed a good feel of the intent. He said they identified panelists who would be beneficial to us and felt the outcome was very positive.

Commissioner Bonthuis thanked the ULI group and City staff for a productive meeting.

Commissioner Werdien inquired about next steps. Mr. Berger said they discussed rehabilitation of second story businesses and while there is no immediate official reaction the intent was to have guidance as we move forward.

Commissioner Werdien spoke about the City actually purchasing properties and exploring that need. Mr. Berger purchasing properties is part of the current Scattered Site Replacement (SSR)

program for that same purpose and explained how the HRA stepped in when the private market does not. He said the program was used a lot when there was a high number of foreclosures and offered assistance with rehabilitation or demolition. He said now that the market has shifted there is not as an immediate goal as there once was, adding home prices have increased significantly and purchasing was not a model we could sustain very long.

Chair Youngquist agreed we may need to retool the program, noting it began to assist with fire suppression. He thanked Mr. Berger for his due diligence. He agreed there were a lot of points and good things discussed and the moderator and panel were all very knowledgeable. He said they spoke about programs Richfield and Coon Rapids were doing and how Anoka may want to incorporate some of their ideas as well. He said the purpose was education and we should follow-up on some of the discussion points.

**Open Forum:** No one appeared.

**Unfinished Business:**

**633 East Main Street Loan Update:** Mr. Berger stated that in July 2014, the City of Anoka HRA approved financing of up to \$100,000 for the renovation of the property located at 633 East Main Street.

Since the original use of a single-family house there have been many additions and changes on this property. The existing structure has been vacant since approximately 2006 and was originally built in the early 1900s. The property was purchased in August of 2013 for the future site of Its About Sleep, a locally owned business that is currently located across the street.

As a reminder, under the program guidelines, a maximum of \$25,000 can be used for exterior rehabilitation only and a maximum of \$75,000 can be used for limited interior rehabilitation as defined in our Revolving Loan Fund Program Plan. Both must be paid back within a 10-year period. These funds are available at 2% interest and require a match of equal or greater by a participating lender. The HRA is partnering with Community Pride Bank of Ham Lake on this project. They have already provided pre-approval services and will continue working with the HRA to service the loan until it is fully repaid. Staff shared the executed Participation Agreement between the HRA and Community Pride Bank.

The funds will be used for replacement of the HVAC system, electrical and plumbing, floor leveling/accessibility improvements, door and window replacement, parking lot repair and landscaping, and repairs/replacement of the façade.

Mr. Berger stated since the last Board meeting the front portion of this building has been demolished by Sauter and Sons as planned. Once demolished it was determined an engineer should be consulted regarding the footings before moving forward. This was a minor setback that required City approval and has since been resolved. The first payment by the HRA of \$28,386.87 was made on June 29, 2015. Eligible improvements are as follows:

- Mosaic Masonry: \$19,300.82 – concrete, brick work, footings, stucco
- Menards: \$9,086.05 – trusses for roof structure

The project completion date is still on track for some time in September or October.

Action Requested: No action is necessary at this time; informational only.

Chair Youngquist confirmed the original loan amount of \$100,000.

**Walker Methodist Plaza Gardens Update:** Mr. Berger stated staff has been working with Walker Methodist to finalize all details for this project. Building a skyway above City roads requires a License Agreement between the City of Anoka and Walker Methodist. This will require approval and a resolution passed by the City Council on July 20, which staff shared with the Board. Closing is set to take place on Wednesday, July 22, 2015. This was slightly delayed due to the sale of the bonds and the 4<sup>th</sup> of July holiday coinciding.

Mr. Berger shared that formal invitations were mailed out last week for the groundbreaking ceremony on Wednesday, August 5 from 2-4:00 p.m., with a presentation from 2-2:30 p.m., groundbreaking at 2:30 p.m., and refreshments and celebration from 2:45-4:00 p.m.

Action Requested: No action is necessary at this time; informational only.

Commissioner Bonthuis noted the term regarding the license for the skyway had the facility classified as a hospital. Mr. Berger said that was a draft and the term has been corrected as they used language from when the Mercy Hospital applied for a skyway license.

**Other Updates:** Mr. Berger said there were no other updates at this time.

**New Business:**

**Receive Quarterly Financial Report from Finance Director:** Finance Director Lori Yager presented the 2015 second quarter financials to the Board. She noted expenditures are only 20% to budget due to charging a portion of Mr. Berger's salary to the City for his current duties with code enforcement. She said this budget is for Scattered Site activities.

Commissioner Bonthuis noted this is similar to a contingency fund. Ms. Yager agreed and said the funds can be replenished from the General Fund.

Ms. Yager reviewed the TIF District accounts noting there are still some funds available for redevelopment or blighted housing projects. She said we are loaning internally to the new district to help pay for the costs of projects like the Walker Methodist Plaza Gardens.

Ms. Yager reviewed the COR downtown district stating there is nothing available but the HRA could use old funds for second floor businesses if needed as the district is not generating any new income yet.

Ms. Yager noted assets have continued to grow and the HRA has a lot of land available for resale, most from the Riverway Clinic. She stated the cash balance has decreased slightly and was used towards projects in the City.

Action Requested: Review and comment on the 2015 second quarter financials.

Commissioner Bonthuis asked how those funds are reflected. Ms. Yager said the transactions reduces land available and increases cash available.

Chair Youngquist asked if the 2017 timetable is still in effect for the TIF district. Ms. Yager said we can only collect increment until 2017 but the district will remain open longer because of the \$250,000 will be paid back and available for use in the future. She said the loans are paid back and can be spent throughout the City, adding we first thought the deadline was 2015 but have now confirmed it is 2017. Mr. Yager noted we do not have to spend all the increment in 2017 but it just has to be spent on TIF associated projects.

Chair Youngquist noted the Board will be meeting in a worksession following the regular meeting to review the 2016 proposed HRA budget.

**Discussion Items:** None.

**Quarterly Loan Program Activity Summary from Center for Energy and Environment:**

Mr. Berger stated the Center for Energy and Environment (CEE) administers all City of Anoka Housing and Redevelopment Authority funded loans. Staff has provided a report of loan activity for the period of April 1 through June 30, 2015, for Board review and comment.

Staff has also included an activity report from last year during this same period. It is worth noting the increase in the number of closed loans; year-to-date loan funds expended, and leveraged funds. He reviewed numbers and said people are utilizing these resources and even if not used are considering home improvements, even if they do the project on their own.

Action Requested: No action is necessary at this time, informational only.

Chair Youngquist commented on the new report format, stating it is very easy to read. Mr. Berger agreed and said this report will be shared quarterly from now on.

Chair Youngquist said he is pleased with the activity as we believed these tools were not being utilized by residents but it appears the program is being used and is very encouraging.

Commissioner Manzoline shared an example of how she utilized the mechanical grant program to purchase a new air conditioning unit and how pleased she was with CEE. She said the program paid 25% of the cost in the form of the rebate and is truly worth looking into.

**Tentative Agenda Items for Future Meetings:**

None.

**Adjournment:** MOTION BY COMMISSIONER MANZOLINE, SECONDED BY COMMISSIONER BONTHUIS, TO ADJOURN. The motion carried, the meeting was adjourned at 5:37 p.m.

Submitted by: Cathy Sorensen, *TimeSaver Off Site Secretarial, Inc.*